

Community Services Reimbursement Rate Commission
Mental Hygiene Administration, Catonsville, Maryland
January 22, 2013

MINUTES

Present

Commissioners – Jillian Aldebron (Chair), Patsy Blackshear, Rebecca Fuller, Thomas Sizemore (Vice-Chair), Timothy Wiens

Open Minds: John Talbot, Exec. Vice President (team leader for CSRRC contract), Rejean Carlson, President, Rennie Joshi, Research Analyst

MHA: Brian Hepburn, Exec. Director; Marion Katserles, CFO

DDA: Frank Kirkland, Exec. Director, Gerald Skaw, CFO

Herb Cromwell, Exec. Dir., CBH; Brian Frazee, Dir. Public Policy, MACS; Laura Howell, Exec. Dir., MACS; Samson Omotosho, Optimum Health Systems, Inc.

Telephonically: Denise Camp, On Our Own of Maryland

Absent: Commissioners - Kia Brown and Jeffrey Richardson

Proceedings

The meeting was called to order at 6:08 p.m.; the agenda was approved and minutes from November 26, 2012 were approved.

Announcements

The Chair met with Gayle Jordan-Randolph, the new DHMH Deputy Secretary for Behavioral Health and Disabilities. Dr. Jordan-Randolph was extremely supportive of the CSRRC and has scheduled regular bi-monthly meetings to discuss CSRRC progress. As a show of her support, Dr. Jordan-Randolph provided DHMH's response to the CSRRC's 2012 Annual Report as requested. The report has been distributed to the commissioners for review.

MHA's weighted average cost structure developed by John Newman and Simon Powell was passed out to commissioners for their review. DDA indicated that John Newman was still waiting to hear back from DBM on its calculation since there may be differences with that prepared by DHMH.

1. Update on DDA/MHA FY 2012 Wage and Salary Surveys

DDA Wage Survey

The DDA Wage Survey and cost reports were due December 1, 2012 and extensions were given until Dec. 31, 2012 when requested. OPEN MINDS provided a breakdown of data received to date.

As of January 22, 2013:	Number	Percentage
Total Providers	149	100%
Total Wage Reports Received	93	62%
Total Excel Cost Reports Received	102	68%
Total Data Forms Received	102	68%
Total Audited Financials Received	101	68%
Total Attestations Received	103	69%
Total Completed Cost Reports	84	56%

The files and data still need to be validated. Frank Kirkland is preparing a warning letter for those providers who have not submitted their surveys and/or cost reports. DDA is following the rules of the AG's Office on levying fines. It is expected that the warning letter will go out by the last week in January. Providers will be given two weeks from the date of the letter to submit accurate, complete surveys/cost reports. Many providers report delays/difficulties with audits as the reason for late submission of cost reports

MHA Wage Survey

MHA sent out requests for salary surveys and audited financial statements with a due date of January 31, 2013. As of January 18, submissions have been received from 16 providers, 12 of which are complete. Jenny Howes (MHA) is following up with providers who have submitted incomplete or inaccurate information. There are a total of 190 providers and a reminder re: the submission deadline was sent out on January 7. A warning letter has been drafted for providers who do not comply with the January 31 deadline and it will be sent to Brian Hepburn for review.

The three-step process for aggregation and analysis of data was discussed.

- Data entry, compilation, and tabulation of data points for each submission
- Initial review and development of recommendations for analysis, to be approved by CSRRC
- Results will be utilized to inform the content of white papers

Analysis may involve stratification and comparison with outside sources. Last year the CSRRC received and were able to review spreadsheets so they could get an overview of the industry and it was requested that this be provided again this year. It was suggested that the DD and MH Advisory Groups be involved in reviewing analysis of the data once it is de-identified.

Open Minds will be analyzing three types of data: wage surveys, cost reports, and financial statements. John Talbot expects to have a proposal for an analysis plan to the Commission by February 1, 2013.

2. Issues Raised by Advisory Groups

DD Advisory Group

The Advisory Group is developing an understanding of the staffing complexities for DDA providers. Personnel often move among programs, as staffing needs change. The use of contractors vs. employees and how this should be analyzed in the survey was also discussed. Providers know what they pay the staffing agency, but often they do not know what the contractual employee receives in compensation.

The Advisory Group also spent some time reviewing feedback that providers gave on the revised survey. Most comments were very positive. Providers appreciated the informational phone calls and the posting of FAQs. It was suggested that because the FAQs sometimes changed the instructions that were initially released with the survey, there should be a better way of letting providers know of the changes. Some providers who did not participate in the calls or did not read the FAQs were using the old instructions.

MH Advisory Group

A good cross-section of providers participated. The Advisory Group looked at staffing/structural issues that may be unique to MH providers, such as payment variations/pay per visit structure.

The Advisory Group discussed the benefit of adapting a cost report for MH providers. Tom Sizemore agreed to develop a draft cost report for review at the next CSRRC March meeting.

The CSRRC discussed the issue of audited financial statements, which MHA requested of providers this year: because for-profit providers are not required to have audited financial statements, many providers do not have them. It should be noted that an audited financial statement costs several thousand dollars. Various solutions were discussed such as having providers do compilation statements or submit their tax returns. MHA will need to define what financial information is required of all providers, regardless of status and change its requests accordingly.

3. Fringe Benefits Survey

The two Advisory Groups had lengthy discussions regarding fringe benefits, full-time and part-time employees, and the impact of ACA implementation, including defining full-time as 30 hours/week depending on the size of the employer.

Open Minds reviewed the goal of the fringe benefits survey – determining if the quality and range of voluntary fringe benefits has been limited/decreased and employee contributions have been increased as a strategy to deal with rising health costs while reimbursement rates have decreased or remained flat. Results may also be used to see how much of an impact fringe packages have on staff recruitment/retention.

Open Minds will hold focus groups with the DD and MH Advisory Groups to obtain their input into the development of the fringe benefit survey. Focus groups should be conducted by the end of the first week in February and Open Minds will have a draft survey plan available for Commission review and approval during the March meeting.

Open Minds is proposed a sample of 30 MH providers (15 OMHC and 15 PRP) and 30 DD providers, but could not substantiate the rationale for this number.

4. Legislative Updates

MHA's budget hearings will be February 6, 2013 at 1:00 p.m. for the House and February 7, 2013 at 1:00 p.m. for the Senate.

DDA's budget hearings will be February 7, 2013 at 1:00 p.m. for the House and February 11, 2013 at 1:00 p.m. for the Senate.

DLS analysis is prepared prior to the hearings.

Bills that may impact providers but will probably not affect rates include: HB 48 and HB 61. HB 48 excludes non-profit entities organized to promote the interests of physically or mentally disabled individuals from a specified definition of minority business enterprise. MACS and CBH believe the bill would have a severe, negative impact on providers and are working on a response to the bill. HB 61 establishes a State Brain Injury Trust Fund to support specified services for individuals with brain injuries.

5. Updates from DDA and MHA –Frank Kirkland and Brian Hepburn

DDA

The contract for a consultant to make recommendations for restructuring DDA's financial system and possibly their IT system was awarded to Alvarez & Marsal, LLC. While preparing for this legislative session, the need for accurate projections has become very apparent.

The Governor's proposed budget has a 2.46% rate increase in it for developmental disability providers. DDA has contributed to a draft report to the General Assembly as required under SB 633. The report is being reviewed by DHMH upper management.

MHA

The proposal for integration of MHA and ADAA by January 2015 will go forward this session. The proposed financing model will be presented to the Legislative Committee this month. The model DHMH is presenting would utilize an Administrative Services Organization (ASO) and would not require any action on the part of the General Assembly. If this model is accepted, an RFP for the ASO would need to be issued by Fall 2013. The current ASO contract could be extended until January 2015 to cover during the interim period until a contract is awarded. A second model is also being proposed by opponents of the first model. This model would use MCOs but would require passage of legislation. This model was not the model recommended by the majority of advocates. The advocates will keep briefing legislators to move the recommended model forward.

In order to adhere to the timeline, Phase Three (specifications of the model) of the integration plan will need to begin soon after the 2013 session ends.

MHA is also working on rate setting.

Adjournment

The meeting adjourned at 7:57 p.m.

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